



COUNTY OF LOS ANGELES
OFFICE OF THE COUNTY COUNSEL
648 HALL OF ADMINISTRATION
LOS ANGELES, CALIFORNIA 90012

December 2, 1975

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ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

Honorable Board of Supervisors
Hall of Administration
500 West Temple Street
Los Angeles, California 90012

32

DEC 16, 1975

Re: Departmental Conflict of
Interest and Disclosure Codes

Violet Varona Lukens
VIOLET VARONA-LUKENS
EXECUTIVE OFFICER

Gentlemen:

Pursuant to the mandate of the Political Reform Act of 1974 (Proposition 9, June 1974) this office, in conjunction with a joint legal staff committee of the League of Cities and the County Supervisors Association, has developed a basic Conflict of Interest and Disclosure Code.

We believe that the attached basic Code, when adopted to the individual needs and requirements of each County department, district and agency over which your Board is the "code reviewing body," will fully comply with both the spirit and the letter of the law.

The envisioned Code will consist of a basic Code and Exhibits "A" and "B." Each department, district and agency over which your Board is the "code reviewing body" will list on Exhibit "A" the titles of all job positions wherein any degree of discretion is exercised that could possibly financially benefit the employee. On Exhibit "B" must be a listing of the types and varieties of outside investments, interests in real property and sources of income which could be affected by decisions made by persons holding positions listed on Exhibit "A." Persons must disqualify themselves when a decision that could affect a reportable interest arises.

000127

Honorable Board of Supervisors
Page Two
December 2, 1975

We have attempted to equate disclosure and disqualification as much as possible. We feel that this will make the complex subject of conflict of interest as comprehensible to the average employee as it can be made.

The Act requires: (1) that all foreseeable potential conflict of interest situations will be disclosed; (2) that each affected person be provided a clear and specific statement of his duties under the code; and (3) that the codes adequately differentiate between designated employees with different powers and responsibilities. With these principles in mind a schedule of disclosure categories should become more narrow as the responsibilities of various categories of employees decrease.

For persons required directly by the Act to disclose the Act requires disclosure of income whether or not the source is connected to the jurisdiction, unlike investments or real property which must be located or doing business in the jurisdiction. We doubt the constitutionality of such a requirement, and in the broadest income disclosure category for local codes have recommended disclosure of income only from sources within the jurisdiction.

The model Code refers to and is dependent on definitions in the Political Reform Act and regulations promulgated by the Fair Political Practices Commission, and these should be attached to the eventual printed copies. The Commission has not enacted the appropriate regulations as yet.

The Political Reform Act requires your Board to establish a deadline for the submission to your Board of Codes from every agency for which you are the "code reviewing body." Your Board is the "code reviewing body" for all local government agencies, other than city agencies, with jurisdiction wholly within the County and all County departments.

It is therefore recommended that your Board:

Honorable Board of Supervisors
Page Three
December 2, 1975

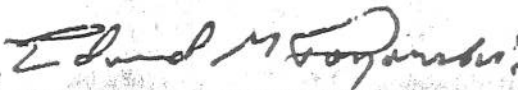
1. Approve the basic Code as a model for all departments and agencies for which your Board is the "code reviewing body";

2. Set April 1, 1976, as the deadline for submission to your Board by all departments, districts and agencies of proposed Conflict of Interest and Disclosure Codes; and

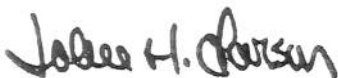
3. Instruct the Clerk of the Board to notify each department and agency to submit to your Board for approval, no later than April 1, 1976, a proposed Code based upon the above model Code.

Very truly yours,

JOHN H. LARSON
County Counsel

By 
EDWARD G. POZORSKI
Deputy County Counsel

APPROVED AND RELEASED:


JOHN H. LARSON
County Counsel

EGP:cn

Attachment

CONFLICT OF INTEREST CODE

OF THE

DEPARTMENT

OF THE

COUNTY OF LOS ANGELES

The agency designated above hereby submits
the following Conflict of Interest Code to the Board of
Supervisors of the County of Los Angeles.

(signature)

(head of agency)

Received on behalf of the Board of Supervisors
of the County of Los Angeles.

Date: _____

James S. Mize,
Executive Officer-
Clerk of the Board

The following Conflict of Interest Code,
having been submitted by the agency designated above,
was approved by order of the code reviewing body on

(date)

Other action (if any):

James S. Mize,
Executive Officer-
Clerk of the Board

CONFLICT OF INTEREST CODE
OF THE

DEPARTMENT
OF THE
COUNTY OF LOS ANGELES

SECTION 100. Purpose. Pursuant to the provisions of Government Code Sections 87300, et seq., the _____
_____ Department of the County of Los Angeles hereby adopts the following Conflict of Interest Code. Nothing contained herein is intended to modify or abridge the provisions of the Political Reform Act of 1974 (Government Code Section 81000). The provisions of this Code are additional to Government Code Section 87100 and other laws pertaining to conflicts of interest (including, but not limited to, Government Code Sections 1090, et seq. and Los Angeles County Administrative Code Sections 47.5 and 69). Except as otherwise indicated, the definitions of said Act and regulations adopted pursuant thereto are incorporated herein and this Code shall be interpreted in a manner consistent therewith.

SECTION 200. Designated Positions. The positions listed on Exhibit "A" are designated positions. Officers and employees holding those positions are designated employees and are deemed to make, or participate in the

making of, decisions which may foreseeably have a material effect on a financial interest.

SECTION 300. Disclosure Statements. Designated positions shall be assigned to one or more of the disclosure categories set forth on Exhibit "B." Each designated employee shall file an annual statement disclosing that employee's interest in investments, real property, and income, designated as reportable under the category to which the employee's position is assigned on Exhibit "B."

SECTION 400. Place and Time of Filing.

(a) All designated employees required to submit a statement of financial interests shall file the original with the Department, which shall make and retain a copy and forward the original to the Clerk of the Board of Supervisors.

(b) A designated employee required to submit an initial statement of financial interest shall submit the statement within 30 days after the effective date of this Code.

(c) Civil service employees appointed, promoted or transferred to designated positions shall file statements within 30 days after date of employment.

(d) All other employees appointed, promoted or transferred to designated positions shall file initial statements not less than 10 days before assuming office

unless an earlier assumption of office is required by emergency circumstances, in which case the statement shall be filed within 30 days thereafter.

(e) Annual statements shall be filed during the months of February by all designated employees. Such statements shall cover the period of the preceding calendar year.

(f) A designated employee required to file a statement of financial interest with any other agency, which is within the same territorial jurisdiction and whose disclosure requirements are identical, may comply with the provisions of this Code by filing a duplicate copy of the statement filed with the other agency, in lieu of an entirely separate statement.

SECTION 500. Contents of Disclosure Statements.

Disclosure statements shall be made on forms supplied by the Department, and shall contain the following information:

(a) Contents of Investment and Real Property Reports:

When an investment, or an interest in real property, is required to be reported, the statement shall contain:

(1) A statement of the nature of the investment or interest;

(2) The name of the business entity in which each investment is held, and a general description

of the business activity in which the business entity is engaged;

(3) The address or other precise location of the real property;

(4) A statement whether the fair market value of the investment, or interest in real property, exceeds ten thousand dollars (\$10,000), and whether it exceeds one hundred thousand dollars (\$100,000). This information need not be provided with respect to an interest in real property which is used principally as the residence of the filer.

(b) Contents of Personal Income Reports:

When personal income is required to be reported, the statement shall contain:

(1) The name and address of each source of income aggregating two hundred and fifty dollars (\$250) or more in value, or twenty-five dollars (\$25) or more in value if the income was a gift, and a general description of the business activity, if any, of each source;

(2) A statement whether the aggregate value of income from each source was greater than one thousand dollars (\$1,000), and whether it was greater than ten thousand dollars (\$10,000);

(3) A description of the consideration, if any, for which the income was received;

(4) In the case of a gift, the amount or value and the date on which the gift was received.

(c) Contents of Business Entity Reports:

When income of a business entity, including income of a sole proprietorship, is required to be reported under this article, the statement shall contain:

(1) The name, address, and a general description of the business activity of the business entity;

(2) In the case of a business entity which provides legal or brokerage services, the name of every person who paid fees to the business entity if the filer's pro rata share of fees from such person was equal to or greater than one thousand dollars (\$1,000);

(3) In the case of a business entity not covered by paragraph (2), the name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person was equal to or greater than ten thousand dollars (\$10,000) during a calendar year.

(d) Initial Statement:

The first report filed by an employee appointed to a designated position shall disclose any reportable investments and interests in real property.

(e) Acquisition or Disposal During Reporting Period:

If any otherwise reportable investment or interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the date of acquisition or disposal.

SECTION 600. Disqualification. Designated employees shall disqualify themselves from making or participating in the making of any decisions affecting any reportable financial interest or any business entity, if they hold any position of management in the entity, when it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the public generally, on the reportable interest or business entity.

Example of EXHIBIT "A"

	<u>Categories</u>
1. Department Head	1, 2, 3
2. Chief Deputy	1, 2, 3
3. Assistant Chief Deputy	1, 2, 3
4. Division Chief	1, 2, 3
5. Deputy	1, 2, 3
6. Head, Administrative Services	4
7. Social Worker	5
8. Head, Banking Services	6

Example of EXHIBIT "B"

Category 1.

Persons in this category shall disclose all interests in real property within the jurisdiction. Real property shall be deemed to be within the jurisdiction if the property or any part of it is located within or not more than two miles outside the boundaries of the jurisdiction of within two miles of any land owned or used by the local government agency.

Category 2.

Persons in this category shall disclose all investments. Investment means

. . . any financial interest in or security issued by a business entity, including but not limited to common stock, preferred stock, rights, warrants, options, debt instruments and any partnership or other ownership interest, if the business entity or any parent, subsidiary or otherwise related business entity has an interest in real property in the jurisdiction, or does business or plans to do business in the jurisdiction, or has done business within the jurisdiction at any time during the two years prior to the time any statement or other action is required under this title. No asset shall be deemed an investment unless its fair market value exceeds one thousand dollars (\$1,000). The term "investment" does not include a time or deemed deposit in a financial institution, shares in a credit union, any insurance policy, or any bond or other debt instrument issued by any government or government agency. Investments of an individual includes a pro rata share of investments of any business entity or trust in which the individual or spouse owns, directly, indirectly or beneficially, a ten percent interest or greater . . .

Category 3.

Persons in this category shall disclose all income received from any source located or doing business within the jurisdiction or expecting to do business within the jurisdiction. Income received from a public agency need not be disclosed.

Category 4.

Persons in this category shall disclose all income from and investments in business that manufacture or sell supplies of the type utilized by the Department.

Category 5.

Persons in this category shall disclose all investments in and income from all laboratories, clinics, hospitals, rest homes, nursing homes, and outpatient care facilities, all medical, surgical, psychiatric, psychologic, and related practices, all medical supply firms, drug companies, and insurance companies; all child or adult care facilities; and all medical or social service consulting firms.

Category 6.

Persons in this category shall disclose all investments in and income from all banks, savings and loan associations, insurance companies, investment companies, stockbrokers, title companies, financial consultants, data processing firms or consultants.